

Attendance of the September 21, 2005 GMTF Meeting  
(based on sign-in sheet)

Name	Agency
Adams, Hon. Steve	City of Riverside
Amiri, Shahrzad	Metro
Baldwin, Hon. Harry	City of San Gabriel
Bone, Hon. Lou	City of Tustin
Bok, Susan	LADOT
Bower, Nancy	California Highway Patrol
Capelle, Joanna	SCRRA
Dale, Hon. Lawrence	City of Barstow
Daniels, Hon. Gene	City of Paramount
Farrington, Carl	South Coast Interfaith Council
Flickinger, Hon. Bonnie	City of Moreno Valley
Goodwin, Art	ACTA
Gurule, Hon. Frank	City of Cudahy
Guss, Ron	California Trucking Association
Hart, Arno	Wilbur Smith Associates
Heit, Karen	Gateway Cities COG
Hricko, Andrea	USC
Katz, Norman Fassler	California State Senate office
Kumar, Vin	Caltrans District 7
Lai, Sue	Port of Los Angeles
Lieu, Sue	SCAQMD
Logan, Angelo	East Yard Communities for Environmental Justice
Lowenthal, Hon. Bonnie	City of Long Beach
Maun, Lena	Port of Los Angeles
Morales, Diane	Caltrans District 8
Neely, Sharon	ACE Construction Authority
Newman, Sarah	USC
Park, Noel	San Pedro Homeowners Coalition
Rodriguez, Dilara	Caltrans District 7
Saunders, Christine	Port of Los Angeles
Szerlip, Hon. Don	City of Redondo Beach
Taylor, Tonya	City of Los Angeles
Uranga, Hon. Tonia Reyes	City of Long Beach
Valdez, Lupe	Union Pacific
Venieris, Marianne	CSULB/Metrans
Warren, Elizabeth	LA Chamber of Commerce

## SCAG Staff

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Amatya, Naresh

Faranesh, Zahi

Ikhata, Hasan

Macias, Rich

Wong, Philbert

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**GOODS MOVEMENT TASK FORCE MEETING MINUTES  
WEDNESDAY, SEPTEMBER 21, 2005**

**1.0 CALL TO ORDER**

Councilmember Gene Daniels, City of Paramount, called the meeting to order. A list of those in attendance is included in the minutes. Self introductions were made.

**2.0 PUBLIC COMMENT PERIOD**

There were no public comments.

**3.0 CONSENT CALENDAR**

**3.1 Approval Items**

**3.1.1 Approval of the August 17, 2005 Minutes**

Motion to approve the August 17, 2005 Goods Movement Task Force minutes was seconded and accepted with no objections.

**3.1.2 Motion to change Item 4.1 from an Information to an Action item**

Motion to approve the request was seconded and accepted with no objections.

**4.0 INFORMATION ITEMS**

**4.1 Update on SCAG Goods Movement Initiatives: Executive Stakeholder Roundtable, Port and Modal Elasticity Study, and Value Matrix (**changed to Action Item per Task Force**)**

Mr. Hasan Ikhata, SCAG, presented this item. He began with an overview of the Ports of Los Angeles and Long Beach and indicated that the ports combined are the largest port complex in the U.S. and fifth in the world. Furthermore, the two ports handled 60.5% of Asia-US Containerized imports and 39.7% of exports.

Mr. Ikhata also discussed some of the reasons why shippers choose to ship to southern California, which includes the large local market, the ability of the Ports to handle large post-Panamax ships, and the availability of related infrastructure

such as rail lines and warehouse and distribution centers. An additional factor is the ability of shippers to transload in southern California, which was analyzed in the Port and Modal Elasticity Study. This study analyzed the impact of imposing fees to goods entering into the Ports of Los Angeles and Long Beach and whether or not those fees would cause shippers to divert to other ports.

Using transloading, shippers will ship their goods to southern California first, and then decide where and how much of their goods to send to other parts of the country. Because it takes between 6-18 days to get goods to a retail store in another part of the U.S. from southern California, shipping decisions need to be made only 6-18 days in advance. Alternatively, a shipper could decide to route goods through many ports throughout the country and from those ports transport the goods to its retail stores. However, this would require shippers to decide which and how much of their goods to ship to a particular port, which would need to be done 27-55 days in advance of the goods reaching the retail store.

Therefore, when shipping through many ports shippers must make shipping decisions 27-55 days in advance. However, when sending goods to southern California first then to other parts of the country, shipping decisions can be made only 6-18 days in advance. This allows large, nationwide retailers an 18-20% reduction in their total pipeline plus safety stock inventory. Furthermore, increased transloading will result in additional jobs created in the region.

While goods movement generates benefits for the region, it also imposes costs in the form of congestion from truck traffic and air pollution from diesel emissions. Unfortunately, there are not sufficient federal and state funds to address these problems.

Because of this, SCAG staff conducted an analysis to demonstrate to the private sector that private investment in transportation infrastructure, which could be in the form of container fees and/or tolls, would generate benefits significantly greater than the investment made.

For example, if dedicated truck lanes were to be built along the I-710, in the east-west corridor between the I-710 and I-15, and along the I-15 to Barstow, a truck traveling from the Ports to downtown during the midday could save 1.4 hours in 2030; traveling from the Ports to Ontario, the truck could save 3.9 hours in 2030, and traveling from the Ports to Victorville the truck could save 5.5 hours in 2030. If it is assumed that the average value of time for trucks is \$73/hour, the savings would equate to \$102 for a trip from the Ports to downtown, \$280 from the Ports to Ontario, and \$398 for a trip from the Ports to Victorville.

Investments in rail capacity would also yield substantial benefits, in terms of both reduction in travel time and delay per train.

It is estimated that highway and rail infrastructure needs will cost \$26 billion (\$20 billion for highway infrastructure and \$6 billion for rail infrastructure, including grade crossings). In addition, environmental mitigation could cost an additional \$10 billion.

The main conclusion of the Port and Modal Elasticity study is that under an as-is scenario, in which fees are imposed but do not result in any congestion relief to shippers, a fee of \$180 per Forty-Foot Equivalent Unit (FEU) would cause a 13% decline in total volume. On the other hand, under a congestion relief scenario in which the mean transit time from the ports to the warehouses is reduced from 3 to 2 days, a fee of \$210 per FEU would result in total volume that is only 4.3% below total volume in the as-is scenario with no fee. More importantly, transload volume will be 12.5% above the transload volume in the as-is scenario with no fee. As a result, the study concluded that a \$192 per FEU container fee assessed on all imported, loaded containers and accompanied by congestion relief as defined above would generate about \$20 billion that could be invested in infrastructure. SCAG has determined that to generate \$26 billion for infrastructure and \$10 billion in environmental mitigation, a fee of \$160-170 per imported, loaded FEU plus a toll of \$0.86 per mile paid by trucks using the dedicated truck lanes would be needed.

If this plan were to be implemented, shippers would benefit through reductions in inventory costs, truckers would benefit because they would be able to make more turns per day, the economy would benefit through the creation of over 1 million new jobs in logistics and construction, and the public would benefit through reduced congestion and improved air quality.

Ms. Sharon Neely, Alameda Corridor East Construction Authority, asked how the projects would be financed if fees and/or tolls were not collected until the projects were in operation. Mr. Ikhata responded that additional analysis needs to be conducted to determine specifically how this could work. Ms. Neely also asked where cargo could be diverted to, based on the Elasticity Study's findings that volume could decrease 4.3% if a fee were imposed. Mr. Ikhata responded that shippers will always look for new solutions to move their cargo faster, which could include smaller ports in other parts of the country.

Mr. Noel Park, commented that based on analysis conducted for the No Net Increase study, mitigation measures needed for the Ports of LA and Long Beach could total \$24-28 billion, which is significantly more than the \$10 billion SCAG estimates could be funded through tolls and container fees.

Ms. Andrea Hricko, USC, asked if the Elasticity study included any analysis on air quality and health impacts, and Mr. Ikhata responded that the study did not.

A number of committee members expressed the need for additional time to review the findings and conclusions of the Port and Modal Elasticity Study before taking an action to accept the findings of the study.

Ms. Lena Maun, Port of Los Angeles, asked if the effect of fuel prices were taken into consideration in the study, and Mr. Ikhata responded that they were not.

Mr. Ron Guss, California Trucking Association, commented that pollution is the result of population growth and that continued population growth will result in additional pollution.

**ACTION:** The action of the committee is to defer acceptance of the findings of the study to the October GMTF and to have Dr. Leachman provide a presentation on the study to the task force.

#### **4.2** Update on SAFETEA-LU

Ms. Charlotte Pienkos, SCAG, presented this item. SAFETEA-LU was signed by President Bush on August 10, 2005 and provides \$286.4 billion between August 2005 and September 30, 2009. The SCAG region received approximately 310 earmarks totaling \$1.4 billion for projects including the Eastside Light Rail line, Alameda Corridor East, Gerald Desmond Bridge, and an HOV lane on the I-405.

In terms of programmatic highlights, MPO funding was increased from 1% of the core programs to 1.25%. For SCAG, this represents an increase of approximately \$5 million per year. In addition, the RTP cycle has been increased from 3 to 4 years. SCAG is currently in the process of determining whether it will release an RTP in 2007 or 2008. Furthermore, the minimum guarantee to states was increased from 90.5% to 92% by 2008. In the past, for every dollar California contributed to the Highway Trust Fund, it received about 90 cents. Under SAFETEA-LU, California will receive 92 cents for every dollar contributed. This represents an increase from \$2.55 billion under TEA-21 to \$3.43 billion under SAFETEA-LU.

SAFETEA-LU also established a Freight Intermodal Distribution Pilot Program, which will provide \$5 million to the Ports of Los Angeles and Long Beach to support freight transportation initiatives.

Ms. Pienkos also noted that SAFETEA-LU did not raise federal gas taxes, which will remain at 18.4 cents per gallon through 2009.

Ms. Pienkos' notes will be distributed via email to the task force.

#### **4.3** Goods Movement Knowledge Base Demonstration

Mr. Philbert Wong, SCAG, presented this item. The Goods Movement Knowledge Base is an online searchable database of over 150 studies dating back to 1982. The link to the database can be found on the SCAG goods movement page, which is <http://www.scag.ca.gov/goodsmove/>. The Knowledge Base allows users to search for studies by key word, study type, and geographic area, among others. Each entry contains a one-page abstract of the study as well as the electronic version of the study.

Ms. Dilara Rodriguez, Caltrans, asked how often the Knowledge Base will be updated. Mr. Wong responded that the Knowledge Base will be updated on an ongoing basis, as studies become available. In addition, the process for adding a study to the Knowledge Base would be to inform Nancy Pfeffer or Philbert Wong.

## **5.0 STAFF REPORT**

Staff provided an update on the 2005-06 Overall Work Program (OWP). The 05-06 OWP includes three consultant-assisted projects: the Inland Port Feasibility Study, Multi-County Goods Movement Action Plan, and Logistics Infrastructure Growth Consensus.

The purpose of the Inland Port Feasibility Study is to look at the potential benefits an Inland Port could bring to this region, both to the private and public sectors. Some of the work tasks of this project include: defining the concept of an inland port, proposing alternative inland port concepts, and evaluating the costs and benefits of those concepts. A consultant has been selected for this project, and the consultant recommendation will be forwarded to the October Regional Council for approval. Also, there will be a Technical Advisory Committee formed to oversee this study. SCAG will begin taking signups for the TAC at the October GMTF meeting.

The purpose of the Logistics Infrastructure Growth Consensus project is to identify a goods movement pilot project that will apply the goals and objectives of the Compass 2% strategy to goods movement. In doing so, the study will identify a project based on principles identified through the 2% strategy, which includes promoting the development of jobs-housing balance and infill development. Dr. John Husing and his firm Economics and Politics, Inc. is assisting SCAG with this project.

## **6.0 COMMENT PERIOD**

Ms. Andrea Hricko, USC, suggested that presentations by USC and UCLA professors be made to the GMTF on the effects of mobile source pollution.

Ms. Neely requested to work with SCAG staff to update the modeling assumptions on the air quality benefits and/or impacts of recently constructed goods movement projects, such as grade separations.

Ms. Dilara Rodriguez, Caltrans, announced to the GMTF that she has accepted a position with the City of Los Angeles and will be replaced on the committee by Vin Kumar.

## **7.0 NEXT MEETING**

The next regular GMTF meeting will be:  
Wednesday, October 19, 2005  
9:00am-11:00am  
SCAG Offices, San Bernardino Conference Rooms A&B

## **8.0 ADJOURNMENT**

The meeting was adjourned at 11:00am.